

STATE OF WISCONSIN
Senate Journal
Ninety–Third Regular Session

WEDNESDAY, July 1, 1998

The Chief Clerk makes the following entries under the above date.

PETITIONS AND COMMUNICATIONS

State of Wisconsin

June 26, 1998

The Honorable, The Senate:

Pursuant to Section 454 of 1997 Wisconsin Act 283, I have appointed Gregory T. Everts of Middleton as my designee to the Criminal Penalties Study Committee.

Sincerely,

CHUCK CHVALA
Senate Minority Leader

**State of Wisconsin
Department of Administration**

June 24, 1998

The Honorable, The Legislature:

This report is transmitted as required by sec. 20.002(11)(f) of the Wisconsin Statutes, (for distribution to the appropriate standing committees under sec. 13.172(3) Stats.), and confirms that the Department of Administration has found it necessary to exercise the “temporary reallocations of balances” authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of May, 1998.

On May 19, 1998 the **Wisconsin Petroleum Inspection Fund** balance was –\$2.06 million. This shortfall continued until May 21, 1998 when the balance reached \$6.43 million. This shortfall was due to the timing of revenues.

On May 7, 1998 the **Wisconsin Health Education Loan Repayment Fund** balance was –\$13 thousand. This shortfall continued until May 14, 1998 when the balance reached \$11 thousand. This shortfall was due to the timing of revenues.

On May 29, 1998 the **Wisconsin Health Education Loan Repayment Fund** balance was –\$5 thousand. This shortfall continues into the month of June 1998. This shortfall was due to the timing of revenues.

The Wisconsin Petroleum Inspection and Health Education Loan Repayment Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund’s share. Therefore, the monthly calculation by the State Controller’s Office will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,

MARK D. BUGHER
Secretary

Referred to joint committee on **Finance**.

**State of Wisconsin
Legislative Audit Bureau**

June 26, 1998

The Honorable, The Legislature:

As required by s. 13.94(1)(em), Wis. Stats., we have completed our annual financial audit of the Wisconsin Lottery, which is administered by the Department of Revenue. We have issued an unqualified opinion on the Wisconsin Lottery’s fiscal year (FY) 1995–96 and FY 1996–97 financial statements.

Wisconsin Lottery sales continue to decline from earlier years. After sales peaked at \$518.9 million in FY 1994–95, they fell to \$482.1 million in FY 1995–96 and to \$431.1 million in FY 1996–97. The decline is likely the result of diminished consumer interest as the general novelty of the Wisconsin Lottery fades. Because the amount available for property tax relief is dependent upon lottery sales, the average amount of property tax credits distributed has declined since FY 1995–96.

The Wisconsin Lottery has taken several steps to increase sales. For example, to create interest in lottery games, the Department has released more instant games in FY 1997–98 than it released in previous years. The Legislature has also increased retailer compensation rates and provided funding for state positions to assist retailers in selling lottery products.

Although these initiatives may slow the pace at which sales decline, sales for on–line games are more strongly influenced by the size of the estimated jackpot being offered. As the jackpot grows, sales typically increase, as shown by the recent \$195 million jackpot for Powerball, an on–line game. However, even with the temporary sales increase resulting from recent Powerball interest, overall sales are projected to decline further in FY 1997–98. In May 1998, the Department estimated total FY 1997–98 sales to be \$414 million, which is below its October 1997 estimate of \$446.9 million but above its February 1998 estimate of \$407.7 million. The reduction in sales from earlier years will likely further reduce the amount available for property tax credits in FY 1998–99. Because of difficulties in projecting the rate of decline in sales, the Department has postponed reestimating sales for FY 1998–99 until October 1998.

We appreciate the courtesy and cooperation extended to us by the Department of Revenue. The Department’s response is the appendix.

Sincerely,

JANICE MUELLER
State Auditor

EXECUTIVE COMMUNICATIONS

**State of Wisconsin
Office of the Governor**

June 30, 1998

To the Honorable, the Senate:

The following bill(s), originating in the Senate, have been approved, signed and deposited in the office of the Secretary of State:

<u>Bill Number</u>	<u>Act Number</u>	<u>Date Approved</u>
Senate Bill 369	Wisconsin Act 309	June 30, 1998
Senate Bill 473 (Partial Veto)	Wisconsin Act 310	June 30, 1998
Senate Bill 425	Wisconsin Act 318	June 30, 1998

Sincerely,

TOMMY G. THOMPSON
Governor

**State of Wisconsin
Office of the Governor**

June 30, 1998

The Honorable, The Senate:

I have approved **Senate Bill 473** as **1997 Wisconsin Act 310** and deposited it in the Office of the Secretary of State. I have exercised the partial veto in Section 1r, Section 2(1), and Section 2 (2d)(d).

Senate Bill 473 provides that, at least once every five years, the State Superintendent of Public Instruction shall be required to conduct a study of the physical condition and capacity of Wisconsin's public schools and their suitability for use as public schools. The bill also provides that the State Superintendent shall submit a report summarizing the study's results to the Legislature, and requires the State Superintendent to submit the initial report in January 1999.

Senate Bill 473 also authorizes the Department of Commerce to make a loan of not more than \$250,000 from the Wisconsin Development Fund to a nonprofit organization for the construction of an adult day care facility. The department would be prohibited from charging an interest rate greater than 4.0% on the loan.

I am partially vetoing this bill. While a study of the condition of our public schools should be completed by the State Superintendent, it should not be required once every five years on an on-going basis since the Superintendent currently has the statutory authority to study the condition of public school buildings in Wisconsin under s. 115.28 (1), stats. I am also vetoing the portion of the bill requiring the State Superintendent to submit an initial report in January 1999 because this deadline will not provide the Superintendent with the amount of time necessary to complete the report.

In addition, I am vetoing the requirement that the Department of Commerce charge an interest rate of not more than 4.0% on the loan for the construction of an adult day care center. This veto will allow the department the flexibility to determine an appropriate interest rate for the loan.

Sincerely,

TOMMY G. THOMPSON
Governor

**REFERRALS AND RECEIPT OF
COMMITTEE REPORTS CONCERNING
PROPOSED ADMINISTRATIVE RULES**

Senate Clearinghouse Rule 98-039

Relating to the school district boundary appeals board.

Submitted by Department of Public Instruction.

Report received from Agency, June 30, 1998.

Referred to committee on **Education and Financial Institutions**, July 1, 1998.

Senate Clearinghouse Rule 98-068

Relating to children with disabilities.

Submitted by Department of Public Instruction.

Report received from Agency, June 30, 1998.

Referred to committee on **Education and Financial Institutions**, July 1, 1998.

The committee on **Health, Family Services and Aging** reports and recommends:

Senate Clearinghouse Rule 98-036

Relating to subsidized health insurance premiums for persons with human immunodeficiency virus (HIV) infection.

No action taken.

Carol Roessler
Chairperson

The committee on **Human Resources, Labor, Tourism, Veterans and Military Affairs** reports and recommends:

Senate Clearinghouse Rule 98-032

Relating to the adjustment of the minimum estimated project costs for the application of the requirement to obtain a determination of prevailing wage rates for workers employed on state or local public works projects and the repeal of obsolete rules.

No action taken.

David Zien
Chairperson

The committee on **State Government Operations and Corrections** reports and recommends:

Senate Clearinghouse Rule 98-002

Relating to lie detector testing of probationers and parolees who are sex offenders.

No action taken.

Senate Clearinghouse Rule 98-051

Relating to filing campaign finance reports in electronic format.

No action taken.

Scott Fitzgerald
Chairperson

CHIEF CLERK'S REPORT

The Chief Clerk records:

Senate Bill 369

Senate Bill 473

Senate Bill 425

Senate Bill 274

Presented to the Governor on June 30, 1998.

CHIEF CLERK'S REPORT

The Chief Clerk records:

Senate Bill 352

Senate Bill 275

Senate Bill 88

Senate Bill 34

Presented to the Governor on July 1, 1998.